4 ARTICLE APPEARED ON PAGE A1-7

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Israel and the Bomb: ~~ORIG NUMEC~~ Provoked a Stor

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War rages on adequacy of nuclear safegu

By John Fialka
Washington Star Staff Writer

In late 1975 a young analyst from the Nuclear Regulatory Commission, a man who had a top security clearance, was told that he had "no need to know" about what may be the most serious nuclear safeguards case the United States has ever faced.

The incident proved to be the spark that eventually ignited a secret but sizable war between two factions in the community of intelligence and energy officials with the exotic and sensitive assignment of preventing any material for an atomic bomb from falling into the hands of terrorists or a non-nuclear power.

It was a war between the believers and the skeptics, a war that alarmed the "Secret Seven" and two presidents, a war that cast doubt on the value of "the Bonnie and Clyde Syndrome," a war that had some of the nation's most respected energy officials conspiring to make statements designed to mystify the press and confuse Congress.

It was a conflict that eventually led to the disclosures that the CIA had evidence both that Israel had the atomic bomb by 1968 and that the bomb material may have been diverted from a U.S. plant.

It was a collision between executive branch and Congress that resulted in the admission that two federal agencies had misled Congress with an optimistic "party line."

ALL OF THIS surfaced this week in three heavily censored documents released by the NRC entitled "Inquiry Into the Testimony of the Executive Director For Operations." Collectively, they offer an unprecedented public view of the bureaucracy that is supposed to prevent nuclear proliferation.

The story, drawn from NRC investigators' interviews with 31 past or present government officials and employees in the nuclear safeguards area, begins in 1975 with James Conran, an intense, 37-year-old nuclear engineer who was given the mission to put together a history of the nation's efforts to protect nuclear materials since the Atoms for Peace program of 1954 allowed it to be placed in private hands.

As Conran soon discovered, this was not easy. The NRC was formed in 1975 by Congress to separate what many people believed to be an inherent conflict of interest in the old Atomic Energy Commission, which housed the efforts to regulate and promote nuclear power under the same organizational roof.

Most of old AEC, including the promotional end, was spun off into another agency, the Energy Research and Development Administration, and it soon became clear that ERDA officials considered the NRC to be an upstart agency, one that could not be trusted with all the secrets. (ERDA has since been merged into the Department of Energy.)

IN HIS RESEARCH among the old AEC records at ERDA in October 1975, Conran discovered one file was missing.

The file involved a company called Nuclear Materials and Equipment Corp., of Apollo, Pa., and its president, a former AEC chemist named Zalman M. Shapiro. It was so secret that it was kept apart from the other classified files. Conran was not allowed to see it.

He protested the refusal to NRC's top safeguards official, then Kenneth R. Chapman, who called Edward B. Giller, one of ERDA's top intelligence officials.

Giller, a former Air Force major general, said Conran had "no need to know" the information, adding that ERDA would supply it if Chapman insisted. Chapman, a former Air Force general, declined.

Conran decided to go further, and in December he confided in Edward Mason, then one of the NRC's five commissioners, his worries about the NUMEC files.

Mason, in turn, was concerned about what he called the "Bonnie and Clyde" syndrome, which he said tended to dominate U.S. safeguards policy. It was the assumption that "the most likely scenario for a theft and diversion of nuclear material was an assault on a facility by heavily armed terrorists."

Mason, an engineer, felt a more probable diversion threat was one that would go through "the back door," carried out by an insider, but he evidently had problems convincing former military people of that.

HE TOLD William A. Anders, the former astronaut who then served as the NRC's chairman, that if there was CIA material about NUMEC, as Conran suspected, the NRC was entitled to a briefing.

So it was that in February 1976, the CIA's top-ranking expert in technological matters, Carl Duckett, came to the NRC to tell them what the CIA knew about the case.

Because of the potential for security leaks, NRC confines matters of atom bomb design and other super-sensitive items to a group known as the "Secret Seven." The group then included Anders and the other four NRC commissioners along with Chapman and Carl Builder, Chapman's top safeguards manager.

This time, however, the group was enlarged to include a few other top NRC aides, including Peter L. Strauss, then the NRC's general counsel.

Duckett told the group that the CIA had a variety of evidence pointing to the fact that Israel had obtained atom bomb material in the mid-1960s and that the agency had formed a "strong opinion," based on circumstantial evidence, that the material had come from NUMEC, which had reported a "loss" of 202 pounds of highly enriched uranium in 1965. (Shapiro has called this story "ridiculous.")

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